

PROCEDURE 0110.05  
Issued January 1, 1994

SUBJECT: Purchase of real property.

APPLICATION: Executive Branch Departments and Sub-units, excluding Department of Transportation, Department of Military Affairs' National Guard Armories, and Department of Natural Resources' parks, forests, and certain other lands.

PURPOSE: To establish uniform procedures for the purchase of real property for use by the State of Michigan.

CONTACT AGENCY: Department of Management and Budget (DMB), Office of Facilities, Real Estate Division  
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SUMMARY: Except as otherwise provided by law, all Executive Branch Departments and Sub-units shall use the services of the Office of Facilities, Real Estate Division, to purchase property for use by the State of Michigan. All purchase must be approved by the Legislature.

APPLICABLE FORMS: A-40.

PROCEDURES:

Agency:

- Identifies a need for additional property.
- Locates property that will meet the need.
- Submits request to purchase to Real Estate Division with site map, legal description, owner's name, address, telephone number, and account number for appraisal contracts, title work, and closing costs.

Real Estate:

- Reviews request and schedules meeting with property owner. Negotiates an option to purchase.
- Submits recommendation for approval of appraisal contract by the State Administrative Board (SAB).

SAB:

- Approves or rejects appraisal contract.

Real Estate:

- Contracts for an independent appraisal of property.
- Requests a legal description of property, survey, and environmental study from the Administrative Division of the Office of Facilities.
- Prepares a Legislative draft and submits to the director of DMB.

DMB Director:

- Submits bill to Legislature for introduction.

Legislature:

- Appropriates funds and approves purchase by a bill.

Real Estate:

- Prepares written offer to owner based on appraised value of property, pending receipt of an acceptable environmental assessment of the property.
- Submits recommendation for approval of purchase by the SAB.

SAB:

- Approves or rejects purchase of property.

Real Estate:

- Obtains title insurance.
- Submits documents to Department of Attorney General, Natural Resources and Military Affairs Division, for review.

Attorney General:

- Reviews purchase documents and prepares title opinion and warranty deed.

Real Estate:

- Prepares payment voucher. Submits to DMB, Administrative Services, with letter to pick up check from Department of Treasury.
- Picks up warrant from Department of Treasury.
- Conducts closing meeting with seller.
- Records warranty deed and requests county to take the property off the tax rolls.
- Submits original recorded deed to the Secretary of State, Office of the Great Seal.

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